

SENATOR DUIS: Senator Labedz, a question if I might please.

SENATOR LABEDZ: Yes, sir.

SENATOR DUIS: Your amendment that you are proposing now will, in no way, effect the regular homestead exemption just off the board?

SENATOR LABEDZ: You mean the present exemption as it is today?

SENATOR DUIS: Yes.

SENATOR LABEDZ: No, it would not. It's just raising the income to the federal government guidelines, or the federal taxable income guidelines, and it also puts in the sliding scale. That is all it does.

SENATOR DUIS: That is fine. I would urge the adoption of the amendment.

SENATOR SAVAGE: Chair recognizes Senator Newell.

SENATOR NEWELL: Would Senator Labedz yield to a couple of questions?

SENATOR SAVAGE: Will you yield, Senator Labedz?

SENATOR LABEDZ: Yes.

SENATOR NEWELL: Senator Labedz, how many brackets do you have at this time?

SENATOR LABEDZ: What are you talking about, brackets? On the sliding scale?

SENATOR NEWELL: Yes, on the sliding scale, that's correct.

SENATOR LABEDZ: I believe I set that on your desks yesterday. It was in a two page information sheet. There would be four brackets. One hundred percent, 80 percent, 60 percent and 40 percent. After that there is nothing.

SENATOR NEWELL: Okay. Can you work that out for us in terms of an average? Try to take an average household. Say it's got the full assessed value of \$25,000. Then show the income levels that would be different, and take it for a mill levy like say Douglas County, and show us how many dollars difference each one of those brackets will be. Have you done that?

SENATOR LABEDZ: No, I have not. But I can do that for you and have it on your desk tomorrow, but I can't do it right now.

SENATOR NEWELL: I think that would be helpful to show the number of brackets.... The reason I bring this up, and the reason I asked Senator Labedz this question, is that the number of brackets are very important to how fair the tax system is. Senator Labedz has offered this proposal for very sincere and legitimate reasons. I favor it. My only argument would be that there ought to be actually more brackets. The reason I say that is this, if you look at the present homestead exemption, what we have right now in existence, if you have an income of...a taxable income, this is taxable, this is with the loopholes in it and everything, if you have a taxable income of \$4800 you then get 100 percent,